

EXHIBIT 1



Software License Agreement

This SOFTWARE LICENSE AGREEMENT ("Agreement") is made effective as of June 1, 2003 (the "Effective Date"), by and between HONEYWELL INTERNATIONAL INC. (the "Customer"), a Delaware corporation having an office at 101 Columbia Road, Morristown, NJ 07962, and LOCUS TECHNOLOGIES, a California corporation having an office at 1333 California Blvd., Suite 350, Walnut Creek, CA 94596 ("Locus").

RECITALS

- A. Customer desires to obtain a license for use of the Locus Software (as defined below, and in Exhibit A hereto), and Locus desires to license the Locus Software to Customer, all on the terms and conditions set forth herein./
- B. LocusFocusSM Managed Hosting Services and Service Level Agreement is presented in Exhibit D
- C. Commercial Terms & Conditions is presented in Exhibit E

NOW THEREFORE, in consideration for the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. DEFINITIONS

1.1. General Definitions

- (a) "Locus Intellectual Property Rights" means any and all rights, whether registered or unregistered, in and with respect to patents, copyrights, confidential information, know-how, trade secrets, contract or licensing rights, confidential and proprietary information protected under contract or otherwise under law, trade names, domain names, trademarks, and other similar rights or interests in intellectual and industrial property.
- (b) "Locus Software" refers to any and/or all of the modules of LocusFocus as described in Exhibit A.
- (c) "Locus's Application Server" refers to computers used by Locus for the purpose of hosting Locus Software over the Internet.
- (d) "Supported Browsers" are those Internet browsers which are supported by, and for purposes of access and use of, Locus Software on Locus's Application Server, as designated by Locus from time to time.
- (e) "Derivative Work" means a work based upon one or more preexisting works, such as a translation, abridgment, condensation, modification, or any other form in which a work may be recast, transformed, or adapted.
- (f) "Customer Data" refers to information entered as input by Customer, or produced as output by Locus Software based on a specific query or execution initiated by Customer.
- (g) "Authorized Users" refer to individuals who have been authorized by Customer to access and use the Locus Software on Locus's Application Server.
- (h) "Administrator(s)" refers to an individual or individuals designated by Customer as the administrator for LocusFocus applications. Only one individual can be designated as the Principal Administrator.



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- (i) "Agreement" refers to this Software License Agreement and all other ancillary exhibits and agreements contemplated herein.

2. SUBSCRIPTION License Grant

Copyright laws and international copyright treaties, as well as other intellectual property laws and treaties protect the Software Product. The Software Product is licensed, not sold. This License Agreement grants Customer the following rights:

2.1. License Grant

Subject to the terms and conditions herein, Locus hereby grants to Customer a non-exclusive license to access and execute Locus Software on Locus's Application Server only with Supported Browsers through the Internet; and transmit Customer's data between the Locus Software and Customer only with Supported Browsers through the Internet. Customer shall use the Locus Software only for Customer's internal business operations, including affiliated entities that control or are controlled by Customer. Customer shall not permit the Locus Software to be used by or for the benefit of anyone other than Authorized Users.

2.2. Third-Party Use

Customer shall not have the right to re-license or sell rights to access and/or use the Locus Software or to transfer or to assign rights to access or use the Locus Software, except as expressly provided herein.

2.3. Limitations on Reverse Engineering, Decompilation, and Disassembly .

Customer may not modify, translate, reverse engineer, decompile, or create derivative works based upon the Locus Software.

2.4. Use of Software

Customer agrees to use the Locus Software in a manner that complies with all applicable laws including intellectual property and copyright laws.

2.5. No Other Rights.

No other rights are granted hereunder, by implication, estoppel, and statute or otherwise, except as expressly provided herein. Specifically, Customer agrees and acknowledges that no rights are granted by Locus under any patent, mask work, trade secret, trademark or other Intellectual property right except the license expressly granted hereunder with respect to the Locus Software.

3. SCOPE OF WORK, LICENSE TERMS, AND FEES

3.1. Scope of Work

The scope of work covered under this agreement is presented in Exhibits B and D. Exhibit C, Pricing Structure, summarizes costs associated with the scope of work presented in Exhibits B and D.



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3.2. Term

This Agreement shall commence as of the Effective Date and shall terminate three (3) years from the Effective Date. Thereafter, this Agreement shall automatically renew for four (4) successive one (1)-year periods, unless Customer gives Locus written notice of intent to terminate and not renew at least sixty (60) days prior to the end of the initial term or any renewal term. Thereafter, this Agreement shall automatically renew for successive one (1)-year periods, unless either party gives the other written notice of intent to terminate and not renew at least sixty (60) days prior to the end of the applicable renewal term. Notwithstanding the foregoing, the term of this Agreement shall be subject to the provisions of Section 6.

3.3. Fees

Pricing for the first three contract years of this Agreement is as presented in Exhibit C and shall not be subject to any inflation or other adjustments. Pricing for subsequent contract years will be adjusted based on the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco Bay Area as published by the Bureau of Labor Statistics. The index from the most recent data available will be used in December to calculate the differential from the base period, October 31, 2003. For example, adjustment factor for 2005 would be [CPI-U October 2004-CPI-U October 2003] / [CPI-U October 2003]. Information on CPI can be found at the Bureau of Labor Statistics web site at <http://www.bls.gov/cpi/>

4. SERVICE AND MAINTENANCE

4.1. Scope of Service and Maintenance

Locus shall provide service and maintenance as part of the basic application support service or separately priced and billed on a per occurrence basis in accordance with the Pricing Structure presented in Exhibit C.

4.2. Maintenance.

During the term of the license, and subject to the terms and conditions hereof, Locus shall install, operate, and maintain the Locus Software on Locus's Application Server, and provide to Customer access to Locus's Application Server sufficient for Customer to exercise its license rights granted above. Alternatively, Customer may opt to purchase its own server, which Locus will maintain. Exhibit D summarizes Locus's LocusFocusSM Managed Hosting Services and Service Level Agreement.

4.3. Service

During the term of the license and subject to the terms and conditions hereof, Locus shall undertake commercially reasonable efforts to provide Customer with consistent sufficient service to access the Locus Software on Locus's Application Server or Customer's Server. Exhibit D summarizes Locus's LocusFocusSM Managed Hosting Services Service Level Agreement

4.4. Changes to Scope of Work

Customer retains the ability to make changes to the scope of work, services and maintenance. Changes to the scope of work, services and maintenance shall form the basis for equitable adjustments to the Pricing Structure presented in Exhibit C.

Customer shall be solely responsible for providing Internet devices and Supported Browsers, and Internet connections at Customer's sole cost and expense.



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Except for certain products and services specifically identified as being offered by Locus, Locus does not control any information, products, or services offered, made available, or accessible on the Internet by third parties who are not affiliated with Locus.

5. TECHNICAL SUPPORT

5.1. Technical Support Services

For the duration of this program the Customer may designate an administrator (Customer Administrator). During the first three months of service and for a period of thirty (30) days following training of new users, unlimited technical support shall be provided during normal business hours and days. After the initial three months of service or thirty (30) days of training for new users, the first eight (8) hours of telephone support and first ten online requests are provided at no extra charge. Hourly support will be quantified to the nearest one-tenth hour for each service incident. An incident log shall be maintained for technical support services.

5.2. Technical Problems With Software or Server.

If the support call is a result of a technical problem with Locus's software or server, the hourly charge for support does not apply.

5.3. Administrator

One Administrator shall be designated by the Customer as the Principal Administrator to communicate with Locus regarding technical issues hereunder. The Customer may change its Principal Administrator at any time.

5.4. Cooperation

Customer acknowledges that certain services and obligations of Locus hereunder may be dependent on Customer providing certain data, information or assistance to Locus from time to time (collectively, "Cooperation") and that such Cooperation may be essential to the performance of services by Locus. The parties agree that any delay or failure by Locus to provide services hereunder which is caused by Customer's failure to provide timely Cooperation reasonably requested by Locus shall not be deemed to be a breach of Locus' performance obligations under this Agreement.

6. TERM OF AGREEMENT

6.1. Term of Agreement

The term of this Agreement is set forth in Section 3.2.

6.2. Termination for Cause

Either party shall have the right to terminate this Agreement and the licenses granted hereunder should the other party materially default in the performance of any of its obligations if, within thirty (30) days after written notice detailing with reasonable specificity the nature of the breach, the defaulting party has failed to cure the material default. Notwithstanding the foregoing, Customer shall have the right to terminate this Agreement as provided in Exhibit D hereto.



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6.3. Termination for Convenience

Customer shall have the right to terminate this Agreement for convenience within sixty (60) days after written notice.

6.4. Termination for Supplier Change in Control

Customer shall have the right to terminate upon significant change in ownership of Locus.

6.5. Exit Plan - Termination Assistance

Locus shall provide termination assistance upon expiration of the term of this agreement, or termination for cause, customer convenience or supplier change in control. Termination assistance will be provided in accordance with an Exit Plan developed as part of the Scope of Services presented in Exhibit B. The Exit Plan will identify processes, procedures, personnel and schedule to pass control and ownership of the assets and resources from Locus to Customer.

6.6. Right to Use

Upon termination for cause, convenience, or change in control, Locus will provide Customer use of, and access to, any and all applications, software licenses, tools and services required to avoid disruption of Customer operations until such time as they can be replaced. Locus will provide maintenance, training, support and documentation as may be required.

6.7. Right to Acquire.

Upon expiration of term, or termination, Locus will provide Customer the right to license those materials and tools owned or licensed by Locus that are needed for the support and operation of the Customer's application and support maintenance infrastructure.

6.8. Licenses and Sublicenses.

Licenses and sublicenses granted by each party to its respective customers and otherwise permitted under the provisions of this Agreement shall not be affected by expiration or termination of this Agreement for any reason.

6.9. Survival of Certain Provisions.

The following provisions shall survive any expiration or termination of this Agreement: Section 1, Section 7, Section 8, Section 9, and Section 10.

7. OWNERSHIP AND CONFIDENTIALITY

7.1. Ownership

Except as provided below and subject to the provisions of Sections 6.5, 6.6 and 6.7, Locus will have and retain sole and exclusive ownership of, and all right, title and interest in, all Locus Intellectual Property Rights and all enhancements, improvements, modifications or other new developments conceived, created, acquired, or made by Locus after the date hereof, including all Intellectual property rights therein or thereto ("Locus Improvements"), and Customer shall have no right, license or interest therein. Notwithstanding the forgoing, Customer shall retain a non-exclusive fully paid up perpetual license as to any enhancements, improvements, modifications, or other new developments conceived, or made by Locus primarily for Customer at Customer's expense.



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7.2. Proprietary Notices and Other Labels

Customer may not alter, change, or remove any proprietary notices or labels on or contained within Locus's web site, Locus Software, or any other software installed on Locus's Application Server.

7.3. Confidentiality of Locus Software and Other Software Installed On Locus's Application Server.

Customer acknowledges Locus's claim that the Locus Software and other software installed on Locus's Application Server embodies logic, design, and coding methodology may constitute valuable confidential information that is proprietary to Locus and its licensors. Customer shall safeguard the right to access the Locus Software and other software installed on Locus's Application Server using the same standard of care, which Customer uses for its similar confidential materials, but in no event less than reasonable care.

7.4. Ownership of Customer Data.

Customer shall be the owner of all data entered by Customer's Authorized Users.

7.5. Confidentiality of Customer Data.

All Customer Data disclosed to Locus in connection with the performance of this Agreement and residing on Locus's Application Server shall be held as confidential by Locus and shall not, without the prior written consent of the Customer, be disclosed or be used for any purposes other than the performance of this Agreement. Locus shall safeguard the confidentiality of such Customer Data using the same standard of care that Locus uses for its similar confidential materials, but in no event less than reasonable care. Notwithstanding the forgoing, disclosure of Customer Data shall not be precluded if such disclosure is in response to a valid order of a court or other governmental body of the United States, is otherwise required by law, or is otherwise necessary to enforce obligations under this Agreement, but only to the extent that such disclosure is necessary.

7.6. Safeguarding of Customer Data.

All information concerning the business of Customer which becomes accessible, or known, to Locus, its employees or subcontractors including, but not limited to, financial information, vendors, customers, customer lists, business plans, operational plans, data and computer programs, manufacturing processes, engineering / technical data, design process, pricing, research and development, strategic plans, and operating data resident on magnetic media, or other media processed, stored, archived or maintained, shall be protected from loss, erroneous alteration, and shall be held in strict confidence and protected from unauthorized access. All confidential data shall be protected, and available for immediate examination without notice, at all times. Locus shall provide the same care and processes to prevent unauthorized access, modification or loss of Customer data via the same, or enhanced, processes that Locus presently employs to protect its own information of a similar nature. In the event of any non-authorized access, modification, disclosure, loss, or inability to account for any Customer data, Locus will provide immediate notification to Customer.

7.7. Return of Data.

On demand, or upon the termination or expiration of the contract, all Customer data stored on electronic media or otherwise, must be returned to Customer without cost in accordance with the process and procedures developed pursuant to Section 6.5.



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8. INSURANCE

Locus will furnish evidence of general or comprehensive liability insurance, as set out in the insurance requirements listed below, which contains the following endorsement: "Honeywell International is named as Additional Insured with respect to all liabilities arising out of Insured's, as Contractor, performance of work on behalf of Honeywell International."

Insurance requirements:

- 1a. **Comprehensive General Liability Insurance** for bodily injury (including death) and property damage that provides limits of not less than \$3,000,000 combined single limit per occurrence/aggregate, with a maximum deductible of \$500,000 per occurrence

OR

- 1b. **Commercial Liability Insurance** for bodily injury (including death) and property damage that provides limits of not less than \$3,000,000 per occurrence and \$5,000,000 aggregate, as respects products/completed operations, with a maximum deductible of \$500,000 per occurrence.
2. **Comprehensive Automobile Liability** for bodily injury (including death) and property damage that provides total limits of not less than \$1,000,000 combined single limit per occurrence, \$5,000,000 aggregate, applicable to all owned, non-owned and hired vehicles, with a maximum deductible of \$1,000 per occurrence.
3. **Statutory Workers' Compensation/Employer's Liability**, including a broad form all-states endorsement; employer's liability insurance for not less than 1 million dollars (\$1M) per occurrence (including, if applicable, insurance covering claims of workers against employers arising under federal law) for all employees engaged in services or operations under the Contract, if required under applicable law, any Subcontractor engaged in work on or with respect to services or operations under the Contract with, if available and commercially reasonable, insurer's waiver of subrogation in favor of Honeywell and all Designated Parties and their respective directors, officers, representatives, agents and employees
4. **Professional Liability Insurance** with limits of not less than \$1,000,000 for each occurrence, and \$2 million aggregate of general liability, with \$4 Million excess liability. Such insurance may be provided under a "claims made" policy provided that Contractor maintains such policy for a period of four (4) years following termination of the Software License Agreement.

9. PERFORMANCE

9.1. Performance Evaluation Criteria.

Locus and Customer shall identify performance evaluation criteria to measure performance of services and program metrics using Six Sigma methodology.

9.2. Performance Improvements.

Locus shall target a year over year annual process improvement goal of 7% per year based upon the performance criteria established in Section 9.1.



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10. WARRANTIES; DISCLAIMER

Locus represents and warrants that it has the requisite authority to grant the licenses referenced in Section 2 to Customer pursuant to this Agreement.

EXCEPT AS SET FORTH HEREIN, LOCUS MAKES NO WARRANTIES OF ANY KIND. LOCUS IS NOT OBLIGATED HEREUNDER TO PROVIDE ANY SUPPORT, ASSISTANCE, INSTALLATION, TRAINING, UPDATES, ENHANCEMENTS OR OTHER SERVICES EXCEPT AS EXPRESSLY PROVIDED HEREIN. LOCUS SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES INCLUDING MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, AND EXCEPT AS SET FORTH HEREIN, LOCUS SPECIFICALLY DISCLAIMS ANY EXPRESS WARRANTIES.

11. LIMITATION OF DAMAGES

EXCEPT AS PROVIDED BELOW, IN NO EVENT SHALL LOCUS OR CUSTOMER BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR SPECIAL DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE, ARISING OUT OF THIS AGREEMENT OR THE USE OF OR INABILITY TO USE THE LICENSED PATENTS, OR ANY CONFIDENTIAL INFORMATION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, LOCUS SHALL BE LIABLE FOR LOSS OF OR LOSS OF INTEGRITY OF CUSTOMER'S DATA, PROVIDED THAT LOCUS' AGGREGATE LIABILITY THEREFOR SHALL BE LIMITED TO \$1,000,000.00.

12. GENERAL PROVISIONS

12.1. Relationship of Parties

The parties hereto are independent contractors. Neither party has any express or implied right or authority to assume or create any obligations on behalf of the other or to bind the other to any contract, agreement or undertaking with any third party. Nothing in this Agreement shall be construed to create a partnership, joint venture, employment or agency relationship between Customer and Locus.

12.2. Independent Development

This Agreement does not preclude Locus or Customer from evaluating, acquiring from third parties, independently developing or marketing similar technologies or products, or making and entering into similar arrangements with other companies. Neither Party is obligated by this Agreement to make such products or technologies available to the other.

12.3. Entire Agreement

The terms and conditions of this Agreement, including any exhibits hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof, and merges and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions. Neither of the parties shall be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof other than as expressly provided herein.



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12.4. Headings

The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. No oral explanation or oral information by either party hereto shall alter the meaning or interpretation of this Agreement.

12.5. Amendments

No amendments or modifications shall be effective unless in writing signed by authorized representatives of both parties. These terms and conditions will prevail notwithstanding any different, conflicting or additional terms and conditions that may appear on any purchase order, acknowledgment or other writing not expressly incorporated into this Agreement.

12.6. Counterparts

This Agreement may be executed in two (2) or more counterparts all of which taken together shall be regarded as one and the same instrument.

12.7. Notices

All notices required or permitted to be given hereunder shall be in writing, shall make reference to this Agreement, and shall be delivered by hand, or dispatched by prepaid air courier or by registered or certified airmail, postage prepaid, addressed as follows:

If to Customer:

Honeywell International Inc.
Attention: Christopher French
P.O. Box 1139, 101 Columbia Rd.
Morristown, NJ 07962

With copies to:

David P. Cooke, Esq.
Honeywell International Inc.
P.O. Box 2245, 101 Columbia Road
Morristown, NJ 07962

If to Locus:

LOCUS TECHNOLOGIES
Attention: Jonathan Cowie
299 Fairchild Drive
Mountain View, CA 94043

William W. Washauer, Esq.
775 East Blithedale Avenue, #407
Mill Valley, CA 94941

Such notices shall be deemed served when received by addressee or, if delivery is not accomplished by reason of some fault of the addressee, when tendered for delivery. Either party may give written notice of a change of address and, after notice of such change has been received, any notice or request shall thereafter be given to such party at such changed address.

12.8. Assignment

Locus may assign its rights or delegate its obligations or any part thereof under this Agreement to a Locus subsidiary or affiliate without the prior consent of the Customer. Customer may assign its rights or delegate its obligations or any part thereof under this Agreement to a Customer subsidiary or affiliate without the prior consent of LOCUS. Except as provided above, the terms and conditions of this Agreement shall bind and endure to each party's successors and assigns.



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12.9. Waiver

Failure by either party to enforce any term of this Agreement shall not be deemed a waiver of future enforcement of that or any other term in this Agreement or any other agreement that may be in place between the parties.

12.10. No Rule of Strict Construction

This Agreement is the result of negotiation and comment by each party. Regardless of which party may have drafted this Agreement or any provision hereof, no rule of strict construction shall be applied against either party. If any provision of this Agreement is determined by a court to be unenforceable, the provision shall be deemed to be modified to the extent necessary to allow it to be enforced to the extent permitted by law, or if it cannot be modified, the provision will be severed and deleted from this Agreement, and the remainder of the Agreement will continue in effect.

12.11. Governing Law

Any claim arising under or relating to this Agreement shall be governed by the internal substantive laws of the State of Delaware, without regard to principles of conflict of laws.

12.12. Jurisdiction

Each party hereby agrees to jurisdiction and venue in the state and federal courts of the State of Delaware.

12.13. Remedies

The remedies set forth in this Agreement are in addition to those available to the parties at law or in equity. All rights and remedies, legal or equitable, whether conferred hereunder, or by any other instrument or law will be cumulative and may be exercised singularly or concurrently. Each party agrees that damages alone might be insufficient to compensate the other party for a breach of this Agreement, and each acknowledges that irreparable harm might result from a breach of this Agreement, and acknowledges the possibility of the entering of an order for injunctive relief to prevent a breach or further breach, and the entering of an order for specific performance to compel performance of any obligations under this Agreement, however, only in those cases where such remedies are appropriate.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

LOCUS:

LOCUS TECHNOLOGIES,
a California corporation

By: Nino Lavalancic

Name: NINO LAVALANCIC

Title: PRESIDENT & CEO

Date: 27 JUNE 2003

CUSTOMER:

HONEYWELL INTERNATIONAL INC.,
a Delaware corporation

By: David L. Wickersham *DPW* *OWF*

Name: DAVID L. WICKERSHAM

Title: DIRECTOR - REMEDIATION

Date: JUNE 23, 2003



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EXHIBIT A LOCUS SOFTWARE DESCRIPTION AND SPECIFICATIONS

DESCRIPTION OF LOCUS SOFTWARE

The Locus Software is generally described as software used in the management, storage, and processing of technical and project data for the environmental industry. Collectively, the suite of applications and tools that make up this software is called LocusFocus™. Descriptions of the various modules of this suite, which are incorporated into and made a part of this Agreement, subject to all confidentiality requirements under this Agreement, are provided below.

EIM

Locus's Environmental Information Management module (EIM) is a web-based application for managing sampling, analytical, geological, geotechnical, and location data. Its features include the capability to:

- ◆ Set and customize certain features and components of the EIM database, including lists of valid values, parameters, analytical methods, and action and QC limits
- ◆ Plan and schedule sampling events
- ◆ Input field data using forms, including sample collection information, field measurements, analytical results, well construction details, borehole information, and litho log data
- ◆ Upload field and/or analytical data transmitted via electronic files
- ◆ View analytical, sampling, water level, and other information stored in the database with a browser
- ◆ Produce downloadable reports and flat files
- ◆ Import data into Excel spreadsheets
- ◆ Perform statistical and trend analyses
- ◆ Display boring logs and well construction diagrams
- ◆ Create XY plots of analyte concentrations versus time and groundwater elevations versus time

eGIS-SVG

eGIS-SVG is a web-based Geographic Information System (GIS) that is directly linked to EIM and that is entirely based on a new Web graphics format and XML-based language called Scalable Vector Graphics (SVG). The module allows users to pull up a map of a site, click on a well or other location on the map, and then pull up chemical and water level information on that location. Data can be displayed in tables or graphs, posted on the map, or downloaded to Excel spreadsheets or text files.

With eGIS-SVG, you can also:

- ◆ View other types of data including parameter group sums, numbers of sampling events, numbers of results for one or more parameters, exceedances, and various summary statistics. You can also view boring logs or find a sampling location.
- ◆ Turn layers on and off
- ◆ Move text labels, add locations, and regenerate maps.



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eWell

eWell consists of two components: a web-based module for entering and storing route, well, equipment, groundwater level elevation data, and field readings, and a Palm-based component for entering groundwater levels and field readings in the field. EWell can be used as an independent application, or in conjunction with EIM.

1. Web-based Component: Features

- ◆ Forms are available for entering, editing, and deleting information on sites, wells, groundwater measurement routes, equipment to measure groundwater depths, field technicians, field parameters, and standard comments used by field personnel when recording a groundwater level measurement or field reading.
- ◆ Utilities are provided to download route and historical information from eWell's web interface to a Palm device, to upload completed water level measurements and field readings from a Palm device to a holding table on the web, and to download dataset (after they have gone through the data verification process) onto a local computer in the form of either text files or Excel spreadsheets.
- ◆ Forms are available to review and if necessary, edit, uploaded data sets before they are merged with results from past field events and to review historical data pertaining to a well.

2. Palm-based Component: Features

- ◆ Information loaded onto the Palm from eWell's web-based component tells the field technician the order in which wells should be visited, the last measured depth to groundwater and if applicable, the last measured depth to free product in each well.
- ◆ Drop-down list boxes are available to select a default user and a default piece of equipment.
- ◆ Forms are provided to enter the depth to free product, depth to groundwater, depth to the bottom of the well, date and time (automatically recorded), up to five field readings, equipment used, and comments.

3. Document Management And Storage

Locus' Document Management and Storage web-based application is designed to promote and/or enhance cross-team communication and collaboration; project information access, management, and archiving; and the routing and approval of documents and project information. Highlights of the system are listed below:

- ◆ Documents can be posted to a website, and files exchanged with other team members.
- ◆ Team members can be automatically notified via e-mail when new information or drawings are uploaded.
- ◆ Project files can be viewed or directly update through a web browser. A new version is automatically created when a file is updated, so team members can compare the current document to any earlier version.



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- ◆ Project drawings can be viewed in PDF or AutoCAD formats.
- ◆ Threaded discussions are supported. Team members can track decisions resulting from such discussions, add new comments, or reply to an ongoing discussion thread.
- ◆ The process of setting up new users, connecting team members, and posting project information is fully automated. Moreover, the application is customizable so you can set up the site for your project based on your specific needs.
- ◆ The administrator for each project has complete control over user access privileges, and can easily designate the files and folders each team member is permitted to view, access, or edit.

4. *Remote Control and Automation*

Included in LocusFocus's remote control and automation module is the capability to monitor water levels, flow rates, pressures, and other operational statistics of groundwater recovery and treatment plants; open and close valves; and perform system resets and diagnostic work, all over the Internet without a costly site visit.

eWaste

eWaste is a comprehensive, but easy-to-use, software program for the classification, packaging, storage, manifesting, transporting, disposal, tracking and reporting on hazardous waste. It automatically assigns EPA and DOT regulatory information to waste chemical products. The program helps determine the chemical compatibility of waste chemicals, safely assigning them to containers with compatible items.

eWaste also manages waste profiles, allowing for full EPA reporting capabilities and reduced errors in shipping descriptions. eWaste synchronizes with Personal Digital Assistants (PDAs), as well as portable bar code readers, for quick, accurate collection of field data and container tracking. It also features point-and-click preparation and printing of 11 different state's waste manifests, as well as federal uniform, non-hazardous, and bill of ladings. It can automatically prepare up to a nine-page manifest utilizing either uniform or state- specified continuation sheets.

eWaste prepares management, cost tracking, and regulatory reports, including the Biennial Regulatory Report and the SARA 313. It was designed for ease of use and customization to include customer-specific forms and reporting requirements.



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EXHIBIT B

Scope of Work, Services and Maintenance

Scope of Work

The scope of work for the project includes four tasks:

- Task 1: Environmental Information Management (EIM™) hosting and LocusFocusSM portal hosting and management
- Task 2: Honeywell Requested EIM™ modifications (Phase 1 and 2)
- Task 3: Standard operating procedures and protocols (Phase 1 and 2)
- Task 4: Training and technical support

The scope of work for each task is described in more detail in the following sections. **None of the activities will be initiated without expressed written authorization by Customer.**

Task 1: EIM™ Hosting and LocusFocusSM Portal Hosting

Locus will make EIM™ available to Honeywell as an Application Service Provider (ASP) hosting solution and on-going support and maintenance fees. The pricing structure is provided in Exhibit C to this agreement. Honeywell's data will be hosted on Locus's servers or on a dedicated server purchased by Honeywell. SSL security will be provided at the portal level at Honeywell's expense. Project specific setup fee will be determined on a project specific basis in accordance with project specific Purchase Order (PO).

As with EIM™ hosting, Locus will make LocusFocusSM available to Honeywell as an ASP hosting solution for a one-time license fee and on-going support and maintenance fees. Honeywell's data will be hosted on Locus's servers or on a dedicated server purchased by Honeywell. SSL security will be provided at the portal level at Honeywell's expense.

Locus will maintain an interactive LocusFocusSM web portal for multiple Honeywell sites that includes tools for document storage and management, a task/schedule management tool called Environmental Management by Planning (EMBP), and other collaboration applications including site Contact List and Site Location tools.

Task 2: Honeywell Requested EIM™ Modifications

This task is phased and provides for client-specific modifications and demonstrations of EIM™ requested by Honeywell or its consultants, third party users, and laboratories (all approved by Honeywell). The scope of work for this task includes the following elements:

Phase 1

- ◆ Locus will develop the capability to import and export data to three different databases, one will be GIS Key and one will be EQUIS. The third will be decided based upon Honeywell needs during project implementation.
- ◆ Locus will develop an interface to ArcView to facilitate use of GIS tools by Honeywell consultants.
- ◆ Locus will assess Honeywell's emailing needs related to sampling and analytical data, then develop tools to email content from EIM™.



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- ◆ Locus will demonstrate the capability to import and export data in as many as three different agency standard formats, one of which must be the NJDEP approved format.

Phase 2

- ◆ Locus will develop a utility to populate AutoCAD maps automatically with information from the database.
- ◆ Locus, in concert with Honeywell and its consultants, will assess the need for and then create, as needed, standard report formats, including exceedance reports.
- ◆ Locus will develop audit trail capability to allow Honeywell to document who, what, why, and when changes were made to the EIM™ database across multiple results.
- ◆ Locus will create customized chain of custody and sample labels in Honeywell format to be used as the standard at Honeywell environmental sites. This function will also include ability to print the chain of custody and sample labels directly from the browser.
- ◆ Locus will extend QC to the field data to allow easy checking of field data entry.
- ◆ Locus will develop the ability to export data validation input to data validator's desktop to allow local entry of data validation codes and subsequent upload of the data. This function will allow contractor validators to code the data, perform QC checks on their input and submit final data validation codes within existing work processes.
- ◆ Locus will create new site databases and move historical data into EIM™ as directed by Honeywell and funded by individual sites on a T&M basis.
- ◆ Locus will create new sites to add to the Honeywell LocusFocusSM portal, as directed by Honeywell, and assist Honeywell with portal management on a T&M basis funded by individual sites.

Task 3: Standard Operating Procedures and Protocols

Phase 1

- ◆ Locus, in concert with Honeywell and its consultants, as appropriate, will develop Standard Operating Procedures (SOPs) for recording sample and chain-of-custody (COC) information, electronic uploading, reporting, analytical data management, and AutoCAD and GIS/SVG layering.
- ◆ Locus, in concert with Honeywell and its consultants, will develop standard protocols for transferring mapping data and facilitating conversions among AutoCAD, various GIS's, and SVG.
- ◆ Locus will develop mapping conventions for GIS/SVG and AutoCAD.
- ◆ Locus, in concert with Honeywell, will develop a Data Management Plan (DMP). The DMP will focus on EIM™ related data management and not include data management functions performed by contractors.
- ◆ As part of the protocols, Locus, in concert with Honeywell and its consultants, will develop several different electronic data deliverable (EDD) formats that will serve as standards for Honeywell. These formats shall range from those applicable to projects that track a minimum amount of information and do not perform data validation to those that store both field and laboratory quality assurance/quality control (QA/QC) data and validate analytical results.
- ◆ As part of the protocols, Locus, in concert with Honeywell and its consultants, will develop sets of standard codes to be used as valid values on projects that use EIM™.

Phase 2

- ◆ As part of Phase 2 protocol development, Locus will track database usage among consultants and suppliers, and develop, as appropriate, tools to:



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- Compare different consultants (e.g. track usage per MB of information stored, compare costs of report generation, and/or check time spent by each consultant manipulating and uploading database); and
- Track total number of man-hours spent by all consultants and Honeywell employees on the database.
- ◆ Locus will demonstrate the ability to store and track information on EDD errors automatically.
- ◆ Locus will develop statistical measures and assess and track quality and cost of loading of the historical databases into EIM.
- ◆ Locus will demonstrate the ability to provide laboratory performance-based metrics.

Task 4: Training and Technical Support; Implementation Support

Locus will provide training to Honeywell and its consultants who will be using EIMTM and LocusFocusSM document portal. The EIMTM training will consist of five two-day training sessions at various locations with EIMTM users of various technical levels. Training will include both Honeywell and Honeywell's vendor alliance partners. Each session attended by a Locus senior developer/programmer. Locus will also provide five weekly web-based training sessions. An online training manual and classroom materials will be provided. Periodic (at least monthly) email newsletters will be sent to EIMTM users providing EIMTM "helpful hints", answers to "FAQs" and information on new features. This task also includes phone/web training for 10 sites on setting up and effectively using the LocusFocusSM document portal.

Locus will provide technical and implementation support to Honeywell. Locus's technical support includes phone and email support with a 24-hour response time. Locus's implementation support includes program management support, preparing schedules and reports, tracking EIMTM implementation at sites, coordinating with contractor partners during implementation, and gathering and preparing metrics..

Cost Item	Description	One-Time Fee	Reoccurring Fee	Metered Event	Quantity	Example One-Time Fee	Example Yearly Reoccurring Fee ¹
	Implement export/ import ability from 3 systems. Develop interface to Arcview ⁴ ; develop email notifications of exceedances; demonstrate State EDD conformance	\$26,200	\$0	NA	NA	\$25,200	NA
Subtotal Phase 1 Modifications						\$25,200	\$0
Phase 2: Improve and Control Modifications							
	Develop ability to populate AutoCAD maps; QC and validation improvements	\$17,500	\$0	NA	NA	\$17,500	
	Develop exceedance reports and COC/label formats	\$20,000	\$0	NA	NA	\$20,000	
Subtotal Phase 2						\$37,500	\$0
Total Task 2 Modifications						\$62,700	\$0
Task 3: Standard Operating Procedures and Protocols							
SOPs— Phase 1	Develop SOPs - Phase 1	\$15,500	\$0	NA	NA	\$16,500	\$0
SOPs Phase 2	Develop SOPs - Phase 2	\$8,500	\$0	NA	NA	\$8,500	\$0
Total – SOPs and Protocols						\$25,000	\$0
Task 4: Training and Technical Support							
Training-EIM™/Portal ⁵	Class and web;	\$31,185	\$0	NA	NA	\$31,185	\$4,100
Technical Support ⁶	Technical support services	\$0	\$100/hour or \$80/incident ⁷	Hours or Incidents per Month	NA	\$10,000 Estimate	\$6,000 Estimate
Implementation Support	Coordinate and track Phase 1 EIM™ rollout.	\$50,000 ⁸	\$0	NA	NA	\$50,000	\$0
Subtotal – Technical Support						\$91,185	\$10,100



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Summary Tasks 1 through 4			
Task1: EIM™ and LocusFocus SM Hosting (2003)		\$1,350.00	\$54,095 (6 months)
Phase1 Implementation Costs			
Task 2 Phase 1 Modifications		\$26,200	
Task 3: Phase 1 SOPs and Protocols		\$15,500	
Task 4: Training and Technical Support		\$91,185	\$10,100
Total Phase 1		\$132,885	
Phase 2 Implementation Costs			
Task 2 Phase 2 Modifications		\$37,500	
Task 3: Phase 2 Standard Operating Procedures and Protocols		\$8,500	
Total Phase 2		\$46,000	
TOTAL (Phase 1& 2 and hosting)		\$180,235	\$118,290 (Yearly)
Year 1 (July – Dec 2003)– Implementation Phase 1 & 2, Hosting setup, and 6 months hosting)		\$234,330	
Year 2 and Beyond recurring costs (hosting costs and estimate on T&M training costs)		\$118,290/year	
Note: Costs and estimates do not include any optional services listed in table below.			



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Notes: Exhibit C Pricing Structure

¹ Example Yearly fees are shown. For Year one (July – September 2003) fees will be based on a 6-month period and be priced accordingly. After 2003, the annual fees will apply.

² Software license fees can be paid in 3 installments.

³ For purposes of calculating example yearly reoccurring costs, assumed total storage of 1 GB (or about 1.6 million analytical records).

⁴ This task includes development of import/export to three programs, development of email notifications, and developing interface to ArcView. The interface to ArcView actual cost is over \$20,000. That part of the Cost is shared with other Locus clients needing similar technology.

⁵ EIM™ training is for 5 2-day classes and 5 web based sessions (including travel) and library portal training is for up to 4 hrs phone-based training for 10 sites to implement and use document portal (\$4,000). Portal training will be billed at T&M for the sites needing such services.

⁶ For technical support via telephone, Locus will charge a maximum rate of \$100/hour. Includes all questions relative to basic system functionality (setup, input, output). Support available 6 AM to 5 PM PST with a 24-hour response time. The first 8 hours of telephone support and first 10 online requests are free per month.

⁷ Monthly support fees apply after the first 8 hours of telephone support and first 10 online support requests have been used.

⁸ Implementation labor support during Phase 1 will be billed T&M for level of support requested. Estimate assumes approximate 6-month effort for ½ time support.

EIM™ is a registered trademark of Locus Technologies.

The following Table presents optional services that may be requested by Honeywell.

Optional Services							
Cost Item	Description	One-Time Fee	Reoccurring Fee	Metered Event	Quantity	Example One-Time Fee	Example Yearly Reoccurring Fee
Data Storage Device ¹	Network Appliance NetApp F87 – 576 GB	\$21,000	\$0	NA	NA	\$21,000	\$0
SVG Map Creation	Develop SVG maps, cost will be dependent on map complexity and condition of historical data sets	T&M	\$0	NA	NA	T&M	T&M
SVG-based GIS	See proposal dated 21 April 2003	\$25,000 ²	\$0	NA	NA	\$25,000	\$0
Analytical e-bid module – Phase 1	See proposal dated 18 April 2003	\$18,500	\$0	NA	NA	\$18,500	\$0



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ESurvey	PDA-based application for conducting EH&S audits, interfaces with web-based database for tracking and reporting	\$1,500 ³	\$1,000	Site/Year	5	\$1,500	\$5,000
EWaste	Hazardous waste tracking tool, interfaces with barcode PDAs, auto manifesting/label generation	\$1,500	\$2,500/per site/year (single user license)	License/Year	1	\$1,500	\$2,500
EWell	PDA-based application for collection of field data, directly interfaces with EIM™ via cold synchronization or wirelessly	\$1,000 for site set up	\$250	PDA/Year ⁴	10	\$0	\$2,500
WebTrends	Detailed WebTrends web usage statistic reports provided through an online browser interface, users may configure reports to run at regular intervals or run ad hoc reports	\$4,000	\$700	Year	1	\$4,000	\$700

Optional Services notes:

¹ Server-independent high capacity storage device. Would store all Honeywell data on a single device for easy control

² Actual cost over \$75,000. Cost shared with Locus and other Locus's clients using similar technology

³ Assumes use of standard eSurvey checklists. Checklists customized per Honeywell request will be developed on a time and materials basis.

⁴ Cost is per PDA per year, does not include cost of PDA devices

Task 1: EIM™ and LocusFocusSM Hosting

EIM™ and LocusFocusSM will be provided on an Application Service Provider (ASP) basis for a reoccurring license fee of \$50,000. This fee can be paid in three installments. The first installment of \$17,500 is due upon signing of this contract. The second installment of \$17,500 is due six months thereafter, and last installment of \$15,000 is due one year after first installment. This fee includes a license for an unlimited number of users and unlimited number of Honeywell sites (excluding PRP sites). In addition to the license fee, Honeywell will be charged storage and hosting fees. These fees will be waived for the first six months of portal use, from October 2002 to 1 May 2003. Locus will forego any per-user fees and transaction-based billing.

Task 2: Honeywell Requested EIM™ Modifications



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Costs for demonstrations, modifications, creating new site databases in both EIMTM and LocusFocusSM, and data upload will be billed on a Time and Materials (T&M) basis, according to the attached Category Rate Schedule. All general upgrades to these systems will be free of charge, and Locus will continue to develop the system and provide new functionalities on a regular basis. Honeywell will be responsible for costs of Honeywell-specific features as outlined in Phase 1 and 2 of Task 2.

Task 3: Standard Operating Procedures and Protocols

Locus's time and materials cost for developing Honeywell standard operating procedures and protocols in conjunction with Phase 1 and Phase 2 implementation tasks. These materials will be developed in Honeywell's preferred format is not to exceed the amount listed.

Task 4: Training and Technical Support

Locus's time and materials cost for providing EIMTM training to end users of the system is not to exceed \$27,185. This estimate assumes that Locus will provide five 2-day training sessions to Honeywell's vendor alliance partner database administrators, with each session attended by a Locus senior developer/programmer. This estimate also includes five weekly web-based training sessions. An online training manual and classroom materials will be provided and travel is included. Periodic (at least monthly) email newsletters for a period of one year will be sent to Honeywell EIMTM users providing EIMTM "helpful hints", answers to "FAQs" and information on new features. This task also includes at time and materials estimate to provide phone/web training for 10 sites on setting up and effectively using the LocusFocus document portal. Locus's time and materials cost for providing Phase 1 implementation support includes program management support, preparing schedules and reports, tracking EIMTM implementation at sites, coordinating with contractor partners during implementation, and gathering and preparing metrics. Technical support includes phone and email support for product questions as listed in the table footnotes.



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EXHIBIT D

LocusFocusSM Managed Hosting Services and LocusFocusSM Managed Hosting Service Feature Summary Service Level Agreement

LocusFocusSM Managed Hosting is a managed service provided by Locus for a customer's e-commerce solution. The LocusFocusSM managed service is available for web, database, and general application hosting service platforms. Each LocusFocusSM customer will be provided the following service features as a part of the basic service offering:

1. Backup and Recovery
 - a) Backup of operating system and application partition on a daily basis with retention of 8 versions of the backed up system image for up to 180 days.
2. One (1) on-demand recoveries from backup per month for the operating system and application partition (database table recoveries charged separately).
3. Monitoring
4. 24x7x365 monitoring of critical points of failure for basic managed infrastructure through Locus's Command Center.
5. Customer notification via email when disk utilization, memory usage, and processor usage exceed standard thresholds defined by Locus.
6. Customer notification via email when Web, Database or General hosting service platform availability is interrupted.
7. Remote System Access
 - a) Remote Access can be provided to the customers via PCAnywhere or VPN
 - b) Platform Management and Maintenance.
 - c) Performance proven hardware and software platforms that are validated and fully integrated into Locus's service support environment. Windows 2000 solutions are available on Dell PowerEdge servers.
 - d) Initial set up and configuration of customer server solution.
 - e) Training and support for Extended Application Monitoring set up during integration.



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- f) Regularly scheduled maintenance for critical software patch updates, system configuration and hardware repair or replacement. Regularly scheduled maintenance windows will be available upon request.
- g) Optional Remote Assistance Services available for a charge.

The following service features will also be included for specific types of LocusFocus hosting service platforms:

8. Web Hosting Service Platforms

- a) Customer notification via email when web service availability is interrupted.
- b) Optional web usage reporting service available for an additional charge.

9. Database Hosting Service Platforms

- a) Daily incremental and weekly full database backups to disk with 30 days retention for full versions and 7 days for incremental versions and logs.
- b) Customer notification via email when database service availability is interrupted.
- c) Optional database recovery service available for an additional charge.
- d) General Application Hosting Service Platforms.
- e) Customer notification via email when OS availability is interrupted.



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Network Services Feature Summary

Network Services includes Internet access, monitoring of the network, and remote administration.. Every Locus Online Services (Locus) customer, regardless of service level, must utilize Network Services.

1. Internet Access

- a) 24x7x365 Internet connectivity at predetermined bandwidth levels on terms set out in the Network Services Service Level Agreement.
- b) Basic service provided at T1 level. Higher bandwidths can be requested by customer at additional cost.
- c) VPN access over the Internet configured for client to LAN and LAN to LAN connections.

2. Remote Administration

Remote administration configured for dial access, ISDN, frame relay or private line.

3. Network Monitoring

24x7x365 monitoring of critical points of failure for Internet connectivity through Locus's Command Center.



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APPLICABLE SLAS LocusFocusSM Managed Hosting Services and Service Level Agreement

This Service Level Agreement ("SLA") shall apply to all LocusFocusSM Managed Hosting Services and shall be effective between Locus Technologies ("Locus") and the Customer identified in the Software License Agreement to which this SLA is attached. This SLA shall be subject to the terms and conditions of the Software License Agreement, and all defined terms shall have the meaning set forth in the Software License Agreement unless separately defined in this SLA. Locus warrants to Customer that it will provide the Services according to the service guarantees in this SLA for the applicable Service.

1. GENERAL TERMS AND DEFINITIONS

1.1. LocusFocusSM Platform.

The LocusFocusSM platform is the hardware and software platform on which the LocusFocusSM Hosting Services run.

1.2. Remote Access.

Upon valid request Locus will grant the customer remote access (via PC Anywhere) also referred to as root level access.

1.3. Foundation Monitoring and Response.

All LocusFocusSM Managed Hosting Services customers will receive a set of Foundation Monitors and corresponding data center responses to manage critical events. The Foundation Monitors comprise the basic set of monitors required to manage the hardware, operating system and applications included with the service platform, the network and service availability. When an event alert is triggered via a monitor that a data center response from Locus ("critical event"), Locus will provide an appropriate Event Response predetermined by Locus.

1.4. Extended Application Monitoring and Response.

Extended Application Monitoring is a feature of LocusFocusSM Managed Hosting Services that provides additional monitoring capabilities beyond the Customer's Foundation Monitors and manages the resultant event responses. When an event alert is triggered via a monitor, Locus will provide an appropriate Event Response that has been predetermined by the Customer. Customers may choose Event Responses that are informational only (Type A), or that require a critical event data center response from Locus (Type C). Locus will document and maintain all Foundation Monitors, Extended Application Monitors and associated Event Responses for each Customer in a Customer Alert and Response Process document.

1.5. Service Incident Credit.

A Service Incident Credit is a credit in a fixed amount given for failure to meet a defined service quality guarantee. The amount of the credit is determined by the individual service guarantee. Only one Service Incident Credit per service guarantee will be granted during a single billing cycle regardless of the number of times that the service guarantee is not met during the billing period. Failure to meet different service guarantees may result in the award of multiple Service Incident Credits.



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1.6. Maximum Total Credit.

The Maximum Total Credit means the total credits that a Customer may receive in a single billing period. The Maximum Total Credit will not exceed a total of one-third of the Customer's total invoice for any given billing period. Credits will be applied only to the month in which the applicable outage event or service incident occurred, and Customers will not be eligible to receive credits for any service components provided free of charge during the billing period.

2. LocusFocusSM Managed Hosting Services SLA

2.1. Back Up On Demand

Locus will initiate a designated back up within 45 minutes of receiving a valid Customer request or within 45 minutes of a scheduled initiation time. The time to complete the back up will vary by Customer solution and data set.

2.2. Remote Access

Customers requiring system changes to a LocusFocusSM Platform will follow change management procedures designated by Locus for requesting privileged remote access. Customer may also request emergency privileged remote access to expedite Customer's access to the system.

2.3. Back Up Recovery

If a Customer requires restoration of an archived data set, Locus will initiate a recovery from back up within a guaranteed time. This initiation time period will be based upon the length of time between the recovery date and the date of the archived data set. The times are:

- ◆ 8 days: recovery will be initiated within 24 hours
- ◆ 8 days to 30 days: recovery will be initiated within 48 hours
- ◆ >30 days: recovery will be initiated within 3 working days.

2.4. Enable/Disable Monitors.

Locus will disable or enable a Customer's Foundation and Extended Application Monitors within 15 minutes of receiving a valid Customer request or within 15 minutes of a scheduled initiation time.

2.5. Event Responses

Locus guarantees that Event Responses will be initiated within agreed to timeframes when applicable under the Customer Alert and Response Process document.

2.6. Trouble Ticket Opening

A trouble ticket will be opened within 45 minutes of a critical system event. A customer support engineer will be assigned to the ticket and a Locus call center representative will attempt to call the designated Customer contact within 45 minutes of receipt of the trouble ticket to acknowledge the assignment.



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2.7. Email and Text Pager Notification

An informational alert email/page notifying the Customer will be sent to an email/page service purchased by the Customer and identified by the Customer for receipt of such alerts within 15 minutes of an event alert. For critical event, Locus will send an additional operational alert email/page containing event information and the trouble ticket ID within 45 minutes of the opening of a trouble ticket. Locus will not assume responsibility for the receipt of any email or page, as the delivery system is not under the control of Locus.

2.8. Infrastructure Availability

Locus provides service center infrastructure and system components for the Customer's hosting solution. In the event that a complete failure of service center infrastructure and system components under the exclusive control of Locus continues for a period in excess of four (4) hours, Locus will grant a Service Incident Credit in the amount of \$500. A complete failure will be deemed to have occurred whenever the Customer's solution environment:

- ♦ Fails to respond to an ICMP ping;
- ♦ Fails to respond to HTTP or database requests; and
- ♦ Cannot be accessed through the Customer's remote access administration interface.

3. Additional Warranties

3.1. Scheduled Maintenance

No outage credit shall be given for outages resulting from Locus scheduled maintenance activities. All scheduled maintenance activities will occur during a regularly scheduled operations change management window (with schedule provided to Customer in advance) or during a Customer-specified change window.

3.2. Requesting Remedies

All requests for remedies must be submitted to Locus within 5 days of the event giving rise to the request. A description of the event must be submitted with the request for remedy. The description should include the time of the event, duration, any diagnostics information substantiating the event, and identification of the Affected Solution Environment. If the Affected Solution Environment includes a combination of Services, the Customer must include in the request for credit an illustration of how the Services are inter-dependent. Locus will validate the information provided by Customer against Locus internal records. If Locus determines in its reasonable judgment that the Customer is entitled to the requested remedy, Locus will credit the Customer's account as provided in this SLA. Locus will respond to all requests for remedies within 30 days of submission.

3.3. Good Standing

3.4. Network Service Provider or Internet Outages.

Credit will not be given for outages resulting from network service provider outages or Internet outages resulting from failures outside the explicit control of Locus. Examples of these types of outages include:



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- ◆ Corruption in Internet route information within a Tier 1 Internet route server environment;
- ◆ Major connectivity failures within or between Tier 1 Internet service providers;
- ◆ Corruption in Internet route information at any public or private exchange point;
- ◆ Corruption of root level DNS services.

3.5. Customer Conduct, Customer-Initiated Outages, and Customer Code

Credit will not be given for events resulting from conduct of Customer, including (i) negligence of Customer, (ii) a failure or malfunction resulting from scripts, applications, equipment, or services provided by Customer, (iii) outages initiated by Locus at the request or direction of Customer for maintenance, back up, or other purposes, (iv) outages occurring as a result of any actions taken by Locus at the request or direction of Customer, e.g., arising from a request for Remote Assistance Services. For purposes of clarification, Customer will be solely responsible for any incident or service failure, and any negative impact on server availability or performance, due to errant or incorrectly designed or written application or scripted code provided by the Customer, including but not limited to any such application or code downloaded, locally loaded, or introduced by any other means to Locus web serving, database, or monitoring infrastructure or any other infrastructure or Services provided by Locus. This limitation shall apply, without limitation, to any application or scripted code that contains bugs, errors in logic, or that yields unpredictable or negative affects on Locus basic or extended web serving, database, or monitoring infrastructure platforms or any other infrastructure or Services provided by Locus. It is the Customer's responsibility to ensure that all code downloaded, locally loaded, or otherwise introduced by Customer is fully tested in accordance with generally accepted programming practices.

4. Right of Termination

Customer may terminate the Software License Agreement if the Customer is granted the Maximum Total Credit for two (2) consecutive billing periods, or for three (3) non-consecutive billing periods during any twelve (12) month period.



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Network Services

Dedicated Managed Hosting Services Service Level Agreement This Service Level Agreement ("SLA") shall apply to all Dedicated Managed Hosting Services and shall be effective between Locus Online Services, Inc. ("Locus") and the Customer identified in the Software License Agreement to which this SLA is attached. This SLA shall be subject to the terms and conditions of the Software License Agreement, and all defined terms shall have the meaning set forth in the Software License Agreement unless separately defined in this SLA. Locus warrants to Customer that it will provide the Services according to the service guarantees in this SLA for the applicable Service.

1. Dedicated Managed Hosting Services SLA

1.1. Dedicated Managed Hosting Solution Availability

Locus Dedicated Managed Hosting Services are designed to be integrated hosting solutions, and as such Locus offers 100% availability for the solution. A solution is considered to be available if the environment is performing the designated function.

- ◆ For managed web hosting solutions, an Outage Event Credit will be granted if content cannot be delivered through the load-balancing engine to a user on the Internet.
- ◆ For managed database hosting solutions, an Outage Event Credit will be granted if the database solution (the current active server in a resilient solution) cannot be queried (SQL) through the network from another server in the Customer's solution environment. The Dedicated Managed Hosting Solution Availability service guarantee applies only to appropriately sized solutions with minimum resiliency configurations. Web hosting solutions must be a load-balanced configuration with average processor, memory, and disk utilization below 70%. Database hosting solutions must be one of the resilient database service offering configurations with average processor, memory, and disk utilization below 70%.

1.2. Infrastructure Availability

Locus provides service center infrastructure and system components for the Customer's hosting solution. In the event that a complete failure of service center infrastructure and system components under the exclusive control of Locus continues for a period in excess of four (4) hours, Locus will grant a Service Incident Credit in the amount of \$500. A complete failure will be deemed to have occurred whenever the Customer's solution environment:

- ◆ Fails to respond to an ICMP ping;
- ◆ Fails to respond to HTTP or database requests; and
- ◆ Cannot be accessed through the Customer's remote access administration interface.

1.3. Hardware Repair/Replacement

Locus will grant a Service Incident Credit in the amount of \$500 in the event that Locus fails to initiate hardware repair or replacement activities within two (2) hours of identification of a failed hardware component under the exclusive control of Locus.



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2. Warranty Limitations and Definitions

2.1. Affected Solution Environment

The Affected Solution Environment is defined as the service component or group of service components for which normal operation is interrupted as a result of an associated service failure. For instance, the Affected Solution Environment may include one or more Co-Location, Application Choice, or Dedicated Managed Server platforms depending on the extent of the SLA failure.

2.2. Outage Event Credit.

An Outage Event Credit is a credit provided in the event that a stated availability service level commitment is not met for an Affected Solution Environment. Locus will provide one (1) day of credit for each single outage event with duration shorter than or equal to four (4) hours or each series of intermittent outage events occurring within the same four-hour period. If an outage event or series of intermittent outage events continues for longer than four (4) hours, Locus will provide one (1) additional day of credit for each additional hour, up to the amount of the Maximum Outage Event Credit for the Affected Solution Environment. The actual credit amount will be the daily pro-rated portion of the invoiced amount for the Affected Solution Environment based on a 30-day billing period. Customers will not be eligible to receive multiple Outage Event Credits for the same service component or invoice line item as a result of multiple service failures or outage events occurring during the same period of time.

2.3. Maximum Outage Event Credit

The Maximum Outage Event Credit means the total Outage Event Credits that a Customer may receive in a single billing period. The Maximum Outage Event Credit for any given line item on a Customer's invoice will not exceed a total of 10 days pro rata credit in a single billing period.

2.4. Service Incident Credit.

A Service Incident Credit is a credit in a fixed amount given for failure to meet a defined service quality guarantee. The amount of the credit is determined by the individual service guarantee. Only one Service Incident Credit per service guarantee will be granted during a single billing cycle regardless of the number of times that the service guarantee is not met during the billing period. Failure to meet different service guarantees may result in the award of multiple Service Incident Credits.

2.5. Maximum Total Credit.

The Maximum Total Credit means the total credits that a Customer may receive in a single billing period. The Maximum Total Credit will not exceed a total of one-third of the Customer's total invoice for any given billing period. Credits will be applied only to the month in which the applicable outage event or service incident occurred, and Customers will not be eligible to receive credits for any service components provided free of charge during the billing period.

2.6. Scheduled Maintenance

No outage credit shall be given for outages resulting from Locus scheduled maintenance activities. All scheduled maintenance activities will occur during a regularly scheduled operations change management window (with schedule provided to Customer in advance) or during a Customer-specified change window.



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2.7. Requesting Remedies.

All requests for remedies must be submitted to Locus within 5 days of the event giving rise to the request. A description of the event must be submitted with the request for remedy. The description should include the time of the event, duration, any diagnostics information substantiating the event, and identification of the Affected Solution Environment. If the Affected Solution Environment includes a combination of Services, the Customer must include in the request for credit an illustration of how the Services are inter-dependent. Locus will validate the information provided by Customer against Locus internal records. If Locus determines in its reasonable judgment that the Customer is entitled to the requested remedy, Locus will credit the Customer's account as provided in this SLA. Locus will respond to all requests for remedies within 30 days of submission.

2.8. Network Service Provider or Internet Outages.

Credit will not be given for outages resulting from network service provider outages or Internet outages resulting from failures outside the explicit control of Locus. Examples of these types of outages include:

- ◆ Corruption in Internet route information within a Tier 1 Internet route server environment;
- ◆ Major connectivity failures within or between Tier 1 Internet service providers;
- ◆ Corruption in Internet route information at any public or private exchange point;

2.9. Customer Conduct, Customer-Initiated Outages, and Customer Code.

Credit will not be given for events resulting from conduct of Customer, including (i) negligence of Customer, (ii) a failure or malfunction resulting from scripts, applications, equipment, or services provided by Customer, (iii) outages initiated by Locus at the request or direction of Customer for maintenance, back up, or other purposes, (iv) outages occurring as a result of any actions taken by Locus at the request or direction of Customer, e.g., arising from a request for Remote Assistance Services. For purposes of clarification, Customer will be solely responsible for any incident or service failure, and any negative impact on server availability or performance, due to errant or incorrectly designed or written application or scripted code provided by the Customer, including but not limited to any such application or code downloaded, locally loaded, or introduced by any other means to Locus web serving, database, or monitoring infrastructure or any other infrastructure or Services provided by Locus. Locus will be released from any and all SLA warranties and remedies associated with any such incident or service failure. This limitation shall apply, without limitation, to any application or scripted code that contains bugs, errors in logic, or that yields unpredictable or negative affects on Locus basic or extended web serving, database, or monitoring infrastructure platforms or any other infrastructure or Services provided by Locus. It is the Customer's responsibility to ensure that all code downloaded, locally loaded, or otherwise introduced by Customer is fully tested in accordance with generally accepted programming practices.

3. Right of Termination

Customer may terminate the Software License Agreement if the Customer is granted the Maximum Total Credit for two (2) consecutive billing periods, or for three (3) non-consecutive billing periods during any twelve (12) month period.



EXHIBIT E

COMMERCIAL TERMS AND CONDITIONS

THE FOLLOWING ADDITIONAL TERMS AND CONDITIONS
ARE APPLICABLE ONLY TO SERVICES DESCRIBED
IN EXHIBITS B AND D AND ARE IN ADDITION TO
OTHER TERMS AND CONDITIONS SET FORTH
IN THIS AGREEMENT.

I. SCOPE OF SERVICES

Locus Technologies, referred to herein as "Locus," will perform the services described in its proposal, referred to herein as "Services" in accordance with the following "Commercial Terms."

II. BILLING RATES

Staff - Charges for all professional, engineering and other technical personnel directly charging time to the project will be calculated and billed on the basis of the attached Category Rate Schedule and as set forth on Exhibit C. Billing Rates include fringe benefits, payroll burden, overhead costs and fee.

Personnel Charges - Indirect support staff time, such as office administration, is NOT charged. All time is rounded to the nearest one-tenth hour. **PREMIUM PERSONNEL CHARGES**

The Category Rate Schedule applies for all routine hours worked by Personnel.

All Premium Personnel hourly charges will be rounded to the nearest dollar.

III. TRAVEL AND LIVING EXPENSES

Living expenses are charged as follows:

- ◆ **Non-Exempt Personnel**—Per Diem charge of \$35 per day and lodging at cost.
- ◆ **Exempt Personnel**—Actual costs.

All travel expenses are charged at rate indicated on the attached Category Rate Schedule.

Personnel time charges for travel within the continental United States are invoiced at the applicable rate to a maximum of eight (8) hours each way.

Travel expenses for long-term on-site project personnel who are permitted to return home every two (2) weeks shall be invoiced at cost.

Travel and Lodging should not be billed higher than economy class rates.

IV. INVOICING AND PAYMENT

Invoices will be issued monthly or twice a month, at Locus' option, itemizing the staff categories, hours worked, rates, and the reimbursable expenses. Copies of supporting documentation will be provided with each invoice upon Client's request and at the Client's expense, to include associated labor and copying costs. Original receipts will be available for review at Locus' office, but will not be released. Payments are due at the address appearing on the invoice within sixty (60) days of the invoice date.

Invoices not paid within sixty (60) days are subject to interest from the 31st day at the rate of 1½ % per month (18% per annum).. If there is a disputed amount on an invoice, Client shall notify Locus within ten (10) days of receipt of the bill in question, and Client agrees to pay all undisputed amounts in the sixty (60) day period. In the event that Locus places Client's account in the hands of an attorney for collection, client agrees to pay Locus all fees and expenses, including attorney's fees and expert fees, necessitated thereby.

V. ESTIMATES OF COSTS AND SCHEDULES

Locus will provide a not-to-exceed estimate of cost and schedule based upon best judgement of scope requirements known at the time of the proposal. Locus will endeavor to perform the Services and accomplish the objectives within the estimated costs and schedule. If there is at any time during the project work a discrepancy between percent complete and percent spent greater than 15 percent, Locus will immediately notify client and provide explanation and remedy. In the event Locus is required to exceed its original estimate for any reason, the Client may wish to (i) redefine the scope of Services in order to accomplish the Client's budgets objectives by signing a Change Order Form, or (ii) terminate Services at a specific expenditure level. Upon any termination, Locus will turn over all information to the extent completed at the authorized level without further obligation or liability to either party except payment for Services performed.

VI. STANDARD OF CARE

Locus agrees to perform its Services in accordance with generally accepted engineering and scientific practices in effect and utilized



EXHIBIT E

COMMERCIAL TERMS AND CONDITIONS

by software, data management, application service provider, networking service provider, and consulting firms at location(s) of the performance at the time Services are rendered. Locus agrees that, if any of its completed Services fail to conform to the above standard and provided Locus is notified of defective Services within one year of the completion of the Services, Locus will, at its expense, either perform corrective Services of the type originally performed as may be required to correct such defective Services or refund to Client the amount paid to Locus for the defective Services..

VII. HOLIDAYS

Holidays observed include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. These days are not included as workdays in project schedules.

VIII. REMEDY

EXCEPT AS PROVIDED BELOW, IN NO EVENT SHALL LOCUS OR CUSTOMER BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR SPECIAL DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE, ARISING OUT OF THIS AGREEMENT OR THE USE OF OR INABILITY TO USE THE LICENSED PATENTS, OR ANY CONFIDENTIAL INFORMATION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, LOCUS SHALL BE LIABLE FOR LOSS OF OR LOSS OF INTEGRITY OF CUSTOMER'S DATA, PROVIDED THAT LOCUS' AGGREGATE LIABILITY THEREFOR SHALL BE LIMITED TO \$1,000,000.00.

IX. DELAYS

If Locus is delayed at any time in the progress of Services for any specific activity by any cause beyond the reasonable control of Locus, then the time for completion shall be extended. In the event a specific sum is quoted for any Services, Locus shall receive an equitable compensation adjustment if the delays are caused by Customer and result in changes, require additional Services, or result in additional costs to Locus.

X. DATA PROVIDED BY CLIENT OR OTHERS

Locus does not assume responsibility for the quality or accuracy of data, nor the acquisition or sampling programs or methods from which the data was developed or data provided by or through Client or others not contractually responsible to Locus and on which Client expects Locus' work to be based in whole or in part. Such data includes, but is not limited to, borings, soil samples, groundwater information, geophysical studies, chemical analyses, geotechnical testing, reports, calculations, designs, drawings, surveys, etc.

XI. JOBSITE CONTROL AND SAFETY

Locus shall be responsible only for its activities and that of its employees, agents, and consultants on the site. Neither the professional activities nor the presence of Locus or its employees, agents, subcontractors, or consultants on the site shall imply that Locus controls the operations of others, nor shall this be construed to be an acceptance by Locus of any responsibility for jobsite safety. Locus will not direct, supervise, or control the work of contractors or their subcontractors. Locus' services, including any review of any other parties' performance, will not include a review or evaluation of the adequacy of any other party's safety measures or plans in, on, or near the construction site. The Client and its contractors and subcontractors will be solely and completely responsible for working conditions at the jobsite, including safety of all persons and property during performance of the work. This requirement will apply continuously and is not limited to normal working hours.



COMMERCIAL TERMS AND CONDITIONS

CATEGORY RATE SCHEDULE

Effective January 1, 2003

Rates are subject to annual adjustment

ORG LEVEL	CATEGORY	HOURLY RATE
1	Managing Principal / Senior Vice President / Senior Consultant	\$155.00
2	Project Director Program Director Senior Project Manager	\$140.00
3	Project Manager/Staff Consultant Health and Safety Manager	\$135.00
4	Senior Project Engineer Senior Project Scientist Project Supervisor	\$120.00
5	Project Engineer Project Scientist	\$105.00
6	Assistant Project Engineer Assistant Project Scientist CADD Supervisor	\$90.00
7	Engineer/Scientist CADD Operator	\$85.00
8	Senior Technician	\$77.00
9	Technical Support	\$65.00
10	Word Processor Clerk	\$50.00 \$45.00

Services as a percipient witness, expert witness, or consultant in connection with litigation are invoiced at two (2) times the hourly category rates.

Personnel have been classified in the above staff categories based on skill, education, and experience level.

See attached Terms and Conditions.

ADMINISTRATION & COMMUNICATION (A&C) (Facsimile, Telephone, and Regular Mail)

An A&C charge of five percent (5%) will be added to labor hours for black and white copying, telephones, facsimile, and regular U.S. Mail.

INTERNAL EXPENSES

CATEGORY	COST PER HOUR
Computer-Aided Drafting and Design	\$35.00/hr
Environmental Data Management	\$45.00/hr
Truck Charges	\$7.00/hr
Rig Charges	\$10.00/hr

MARKUP ON EXTERNAL EXPENSES

Subcontractor	5.0%
Equipment Rentals	5.0%
Supplier	5.0%
Analytical Costs	5.0%
Travel	5.0%
Other	5.0%

MILEAGE

CATEGORY	COST PER MILE
Cars	\$0.35
Pick-Up Trucks	\$0.50